



U.S. General Services Administration

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Commissioner
Public Buildings Service

Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings, and
Emergency Management
Los Angeles Courthouse
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Good morning Chairman Denham, Ranking Member Norton, and Members of the Subcommittee. I am Robert A. Peck, Commissioner of GSA's Public Buildings Service. As the steward of federally owned buildings and the government's landlord, GSA helps more than one hundred Federal agencies achieve their missions by constructing and renovating facilities that help them carry out their public missions productively and efficiently.

The Federal Courts play a critical role in the constitutional framework of American democracy. GSA is proud to build courthouses worthy of that role. Local, state and Federal courthouses are a traditional landmark, dating back to the founding of the nation. Federal courthouses must maintain the Judiciary's mission of ensuring fair and impartial administration of justice for all Americans while providing security for judges, jurors and others engaged in the judicial process.

GSA has developed a strong partnership with the Federal Judiciary. Since we began our Design Excellence program and the Congress began funding a nationwide program of courthouse renovation and construction approximately sixteen years ago, we have compiled a solid track record of delivering high quality buildings that support the Courts' unique needs while enhancing the buildings' surroundings. We do so within carefully considered design and budgetary guidelines and pursuant to Congressional authorization and appropriations.

Today's hearing focuses on the Los Angeles Courthouse. Due to security deficiencies in the existing building and courtrooms that do not meet the Courts' space needs or functional requirements, the Los Angeles Courthouse is the Courts' number one priority. Between FY2001 – FY2005, the project received appropriations and was fully authorized, but for a variety of reasons including scope and cost, has been awaiting an updated solution for several years.

I am pleased to announce that the Courts and GSA now have a plan to deliver this critical facility within the current appropriation and authorization, eliminating future projected judgeships from the requirements and incorporating courtroom sharing policies. This is a worthwhile investment that will allow GSA to improve the security of the Los Angeles Federal District Court and meet the functional needs of the Court, take advantage of an unfortunate downturn in the market to deliver the project within the current appropriation, and mobilize nearly \$400 million set aside by Congress for this project to create thousands of jobs in a hard-hit industry.

Courthouse Construction Program –

In selecting new courthouse construction projects, GSA works closely with the Federal Judiciary to construct their priority projects. Since 1996, the Judiciary has used a 5-year plan to prioritize new courthouse construction projects. The Court's 5-year plan considers projected needs for space, projected growth in judgeships, and security concerns. GSA relies on the Judiciary's 5-year plan to develop our priorities, as funding permits, and incorporates projects into GSA's Capital Investment and Leasing Program. GSA then constructs projects appropriated and authorized by Congress. Since the program's inception fifteen years ago, 67 new courthouses

or annexes have been constructed. Congress in total has appropriated and authorized approximately \$7.5 billion for this program.

GSA and the Courts have continually improved and refined the management and oversight of these projects. The Judiciary has developed and implemented policies that require courtrooms to be shared among judges. The Judiciary has also revised its estimates for projected future judgeships. These estimates were based on the best data available at that time, but it has become clear over the past few years that Congress is not approving the judgeships they did historically. GSA, likewise, has improved our management of the courthouse program. We have put in place space management controls to ensure that our courthouses are constructed within budget and within scope, and have committed to come back to our authorizing committees if we exceed by 10 percent or more the authorized square footage of our new courthouses. GSA and the Judiciary have made great strides and are committed to continuing to improve all of these policies.

A recent report from GAO argued that courthouses had been overbuilt and that this overbuilding had cost taxpayers hundreds of millions of dollars. GSA has taken great exception to GAO's reported findings and methodology. Our concerns, in short, are that:

- 1) GAO applied the Courts' new revised sharing standards retroactively to completed projects and then claimed the space was overbuilt based on those standards;
- 2) GAO took incorrect measurements of our buildings, assuming high ceiling space in building atriums is included in the gross square footage of an asset;
- 3) GAO compounded this mistake by then imputing the same construction and operating costs to this space as all other space within the building;
- 4) GAO did not take into account the well-documented, and unprecedented, increase in the cost of construction over the time period they reviewed.

In our opinion, these mistakes by GAO resulted in inflated numbers. Taken together, these inaccuracies account for well more than half of the total reported overbuilding of courthouses identified by GAO.

GSA has been forthright and transparent in all of our documents, testimony, and briefings to Congress throughout the history of our courthouse program. Moreover, GSA only builds courtrooms requested by the Judiciary and authorized by Congress. And GSA and the Courts have a strong program to manage the requirements development, design, and delivery of courthouses.

Los Angeles Courthouse –

The Los Angeles Courthouse is an example of the strength of GSA's and the Courts' effort, and its history reflects the continued improvements by both GSA and the Courts in the delivery of the Courthouse program. The Judiciary's number one priority is the construction of a new courthouse in Los Angeles. Between 2001 and 2005, Congress authorized and appropriated

\$399,635,000 for this courthouse. For the last several years, a variety of factors, from construction cost escalation to programmatic changes, prevented us from moving forward.

In 2005, the Los Angeles courthouse was originally planned to provide one million gross square feet of space at an estimated cost of \$400 million. The plan anticipated 41 courtrooms, 40 chambers and 150 parking spaces. The design was subsequently revised in favor of a more conventional design and a reduced and reconfigured interior and the project solicitation was reissued in March 2006. However, the solicitation was canceled due to lack of competition. During this time, the Los Angeles construction market had experienced a significant increase in construction material and labor costs. Due to this sharp increase, the project was halted.

Congress has made clear on several occasions during the life of the Los Angeles Courthouse project that GSA must work with the Courts to develop a viable solution for the project within the funding already appropriated. House report language accompanying the FY2009 Appropriations bill noted that “GSA is prohibited from using funds previously appropriated for the courthouse in Los Angeles for any other project. The GSA is further prohibited from using any proceeds from the sale of the land for this project, if one were to occur, on any other project.” Congress has also relayed its concern about the lack of progress in constructing a new courthouse in Los Angeles as evidenced by the FY 2010 Senate Appropriations Committee report that directed GSA to work with the Judiciary in “developing a cost-effective design that would not require splitting of the District Court.” Language in the FY 2011 Senate Committee report and the FY 2012 House markup further stressed the interest in the project.

The Courts and GSA have worked closely together to develop a feasible solution for a smaller district courthouse that supports the Judiciary in meeting their mission needs, providing needed courtrooms and chambers with secure access. GSA and the Courts have incorporated the latest sharing guidelines and eliminated projected judgeships to develop a solution to build this courthouse within the latest Judiciary management guidelines and lessons learned over the past several years. The current proposal will provide approximately 600 to 650 thousand GSF of space, 24 district courtrooms and 32 chambers to house active district court judges and senior district court judges, as well as the supporting Clerk and U.S. Marshals Service functions.

A Worthwhile Investment –

The current proposal breaks the long-standing hiatus on the Courts’ number one capital priority. As GAO noted in their September 30, 2011 report on the Los Angeles Courthouse, the security in the current Spring Street facility is among the worst in the nation, with poor prisoner circulation, inadequate security for many of the District and Magistrate courtrooms, and shared circulation between judges and prisoners. As proposed, the new facility will provide the Los Angeles Federal District Court, and the citizens it serves, with a secure facility.

Additionally, GSA will be able to take advantage of an unfortunate downturn in the market to complete this project within the current appropriation. The Government owns and has already

cleared the site for the Los Angeles Courthouse, and a contract can be solicited. Moving now will begin to mobilize nearly \$400 million Congress has set aside for this project, putting thousands of workers in this hard-hit industry back to work.

As proposed, the project will allow a more effective use of space, consolidating the Court functions currently housed in Spring Street to the new Courthouse and the Roybal building. The District Court will fully occupy the new courthouse, as well as the District Clerk and the accompanying Marshals Service. A number of senior district judges, the magistrate judges, as well as Pretrial Services and Probation, will consolidate in the Roybal building with the Bankruptcy Court. These two buildings will meet the security needs and functional requirements of the Courts, while satisfying the updated court requirements of 49 courtrooms.

The consolidation of the Judiciary in the new courthouse and the Roybal Building will allow GSA to assess the potential reuse of the Spring Street facility and the possibility of modernizing it to accommodate the more than one million square feet of leased space that a number of executive agencies currently occupy in the Los Angeles area. GSA will conduct a study to assess the best reuse of the facility at a future date to coincide with the court's transition to its new facilities.

Conclusion –

GSA and the Courts are responsibly managing the U.S. Courthouse program, making continuous improvements and refinements to better reflect space requirements, fiscal realities, and capital priorities.

The Los Angeles Courthouse project has idled for far too long. GSA and the Courts now have a plan that can be completed within the current appropriation, mobilize this funding to put people back to work, and help the Courts meet their mission needs. GSA is ready to issue a solicitation. Los Angeles will have a secure, state-of-the-art Courthouse, helping improve court functions and services, while keeping tenants and the visiting public safe.

Thank you for inviting me to appear before you today. I appreciate the opportunity to discuss GSA's management of the Federal courthouse construction program, the new path forward for the Los Angeles Courthouse, and the benefits of this investment. I welcome your questions.